

The report which the committee presented to the House of Commons took its place at once among the classics of finance and has been one of the guides of sound banking from that time to this. It is a remarkable fact that Mr. Horner was a young man of thirty-two who had never given more than a general attention to financial subjects. He simply listened attentively to the testimony of the best experts who appeared before the committee and with singular clearness of vision grasped the correct principles of regulating a banking currency and discarded the shallow sophistries and "practical rules" which were presented to him by the great bankers of London.¹ The Bullion Report is remarkable not only for the clearness and precision with which it lays down the fundamental rules for regulating the volume of a paper currency, but for the discriminating judgment with which it discusses limitations of the then existing theories of prices and currency which only came to be generally accepted by political economists a generation later and have not been accepted by all of them to-day.^a

The undisputed facts upon which the bullion committee based their report are summed up by Professor MacLeod as follows³:

¹M. Juglar remarks that, "There is always something which blinds those the best placed to see, and it is not the persons engaged in affairs who are the best judges of the mechanism they direct or which, rather, sweeps them, along."—*Des Crises Commerciales*, 341. For similar views see Price, *Currency and Banking*, 3-4; Bagehot, *Lombard Street*, Works, V., 112-15.

^s Mr. Horner himself expressed a modest opinion of the literary merits of the report, but declared that it possessed one great merit, "That it declares in very plain and pointed terms both the true doctrine, and the existence of a great evil growing out of the neglect of that doctrine." Portions of the report were written by Mr. Hus-kisson and Mr. Thornton, but the inspiring spirit was largely Mr. Horner's. The views set forth were not new and had been so clearly stated by Mr. Ricardo in his pamphlet on "The High Price of Bullion," that some of Mr. Ricardo's friends accused Mr. Horner of borrowing the ideas without proper credit.

[&] *Theory and Practice of Banking* II., 29.